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Davis, McHugh: House Delivers Overwhelming Victory on Postal Reform

Approves Bill to Ensure Solvency of U.S. Postal Service

WASHINGTON, D.C. – The House voted tonight to provide a comprehensive overhaul of the U.S. Postal Service, approving legislation sponsored by Government Reform Chairman Tom Davis (R-VA) and Rep. John M. McHugh (R-NY). The overwhelming bipartisan vote for H.R. 22 – 410 to 20 – came after just more than two hours of debate, a brief period in comparison to the more than 35 years since the last update to America’s postal laws.

“The last time Congress succeeded in tackling comprehensive postal reform was before the dawn of Internet and e-mail; before letters were relegated to the category of ‘snail mail;’ before the de-regulation of the airline industry; and before competitors like FedEx entered the market. Quite simply, the laws that govern the Postal Service are outdated and unsuited for today’s competitive environment,” said Davis. “Tonight’s passage not only represents the first big step to bring the Postal Service into the 21st century, but also our best chance at solving the structural, legal, and financial constraints that have brought the Postal Service to the brink of utter breakdown. I encourage the Senate to act on postal reform by reminding the chamber that it is not a luxury we cannot afford – it is a necessity we can no longer avoid.”

“H.R. 22 is the culmination of a decade of hard work and study, not to mention a great deal of bipartisan negotiation and cooperation. I would like to take this opportunity to thank Congressman John McHugh of New York, who chaired our Special Panel on Postal Reform and was the original bill’s chief sponsor, Government Reform Committee’s Ranking Member Henry Waxman (D-CA), and Congressman Danny Davis (D-IL) for their dedication to this subject and their willingness to operate in a bipartisan manner,” added Chairman Davis.

“This legislation is a long time in coming, and I couldn’t be more thrilled to see the full House put its stamp of approval on H.R. 22,” McHugh said. “Americans have an expectation that the Postal Service will abide by its well-known, although unofficial, motto – a commitment to deliver. We have produced a much-needed, well-refined bill to ensure that our nation’s Postal Service can continue to deliver on that promise. Now that this legislation has passed the House,

I look forward to the vote in the Senate that will bring us to Conference, where we can resolve any outstanding issues and make this postal reform reality – for the Postal Service and for all Americans.”

H.R. 22, the Postal Accountability and Enhancement Act, mandates transparency in the Postal Service’s finances, costs, and operations. The bill: creates a modern system of rate regulation; establishes fair competition rules and a powerful new regulator; addresses the Postal Service’s universal service obligation and the scope of the mail monopoly; and institutes improvements to the collective bargaining process.

In addition, the bill positions the Postal Service to operate in a more business-like manner, no longer operating under a break-even mandate. By maximizing gains and minimizing costs, the Postal Service could generate earnings that would be retained, and which could be distributed as incentives to management as well as to employees through collective bargaining. In the same way, losses could not be recovered by increasing rates beyond specific parameters without regulatory approval.

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